CENTRAL INTELLIGENCE AGENCY

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- 1. Reportedly, large quantities of arms and munitions shipped by the Anglo-Americans to Yugoslavia, following their arrival at designated destinations, have been conveyed to secret military depots and storehouses, the location of which is unknown even to efficers of the Tugoslav High Command. These depots are guarded by highly trusted members of the Yugoslav military, under the control and jurisdiction of members of the UDB, who, in turn, are controlled by another similar service. The removal of the stated materiels. is effected during the night in extreme secrecy, the materiels being transported from one depot to another and from one locality to another. Presumably, the clandestine removal of the stated materiels has been carried out in accordance with orders issued by Yugoslav officials in high government posts. Although the exact reason for such activity is unknown, it is believed the purpose is to remove from the control of the Anglo-American Military Aid Commission as large a quantity of these war materiels as possible. The maneuver is concealed under pretended disorganization of transportation and logistics. Individuals in charge of the storage and safekeeping of these arms and munitions are never able to maintain an exact inventory because of the constant variation in supplies.
- During mid-March 1952, two motor vessels loaded with unspecified quantities of Allied arms and munitions left the port of Split, with an unidentified Dalmatian island as their destination. These vessels, however, failed

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to arrive at any Yugoslav island. For two days an anxious but futile search was conducted for traces of these two vessels and their cargoes. Upon termination of this fruitless search, no mention was ever again made of either the vessels or cargoes. According to informant, this so-called disappearance had been "preordained" by some individual, in a high Yugoslav Government post. Presumably, the vessels and their cargoes landed at some deserted spot on the Albanian coast. This occurrence supports the theory advanced in the American press that the Anglo-American policy of aid to Yugoslavia is extremely hazardous. Ljubljana official circles have reportedly warned members of the Allied Military Commission that a very close and careful vigilance must be maintained by the Western Powers relative to Yugoslav policy. These officials have presumably offered the two following possibilities in connection with Yugoslav policy:

- a. Tito is secretly deceiving the Allies, and a perfect understanding exists between him and Stalin; or
- b. Tito is not bound to Stalin through secret agreements, but possibly Yugoslay leaders, who are closest to Tito, are bound to Stalin, and these individuals are actually the persons who control the reins of social, political, economic and military life in Yugoslavia. Unknown. to Tito, these men are possibly preparing a coup for the reentry of Yugoslavia into the Cominformist community.
- Informant is of the opinion that the second theory is the more likely of the two. This hypothesis is supported by the very form of Cominformist propaganda spread within the core of the Yugoslav Armed Forces; a propaganda which aims to sow panic and confusion. Recently, Yugoslav military barracks and institutions have been reportedly deluged with printed Cominformist propaganda leaflets bearing such slogans as:

 "Soldiers, take head of your actions! Each one of you is followed by the watchful eye of Tito on the one side, and by that of Stalin on the other. However, the eye of Stalin scorches and you will feel it. His eye strikes suddenly like a flash of lightning. Be guided by this!" These and other propaganda leaflets have caused members of the Yugoslav Armed Forces to become generally convinced that the "long arm" of Stalin can strike whenever it so desires to annihilate Tito. Consequently, many members of the military have been persuaded to cross over into the Cominformist camp whenever the opportunity has presented itself.

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